

103D CONGRESS
1ST SESSION

H. R. 536

To amend title XVIII of the Social Security Act to extend and revise programs to assist rural hospitals under part A of the medicare program.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1993

Mr. ROBERTS introduced the following bill; which was referred jointly to the Committees on Ways and Means and Energy and Commerce

A BILL

To amend title XVIII of the Social Security Act to extend and revise programs to assist rural hospitals under part A of the medicare program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; REFERENCES IN ACT.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Medicare Rural Hospital Amendments of 1993”.

6 (b) REFERENCES IN ACT.—Except as otherwise spe-
7 cifically provided, whenever in this Act, an amendment is
8 expressed in terms of an amendment to or repeal of a sec-
9 tion or other provision, the reference shall be considered

1 to be made to that section or other provision of the Social
2 Security Act.

3 **SEC. 2. ESSENTIAL ACCESS COMMUNITY HOSPITAL (EACH)**
4 **AMENDMENTS.**

5 (a) INCREASING NUMBER OF PARTICIPATING
6 STATES.—Section 1820(a)(1) (42 U.S.C. 1395i-4(a)(1))
7 is amended by striking “7” and inserting “9”.

8 (b) TREATMENT OF INPATIENT HOSPITAL SERVICES
9 PROVIDED IN RURAL PRIMARY CARE HOSPITALS.—

10 (1) IN GENERAL.—Section 1820(f)(1)(F) (42
11 U.S.C. 1395i-4(f)(1)(F)) is amended to read as fol-
12 lows:

13 “(F) subject to paragraph (4), provides not
14 more than 6 inpatient beds (meeting such con-
15 ditions as the Secretary may establish) for pro-
16 viding inpatient care to patients requiring sta-
17 bilization before discharge or transfer to a hos-
18 pital, except that the facility may not provide
19 any inpatient hospital services—

20 “(i) to any patient whose attending
21 physician does not certify that the patient
22 may reasonably be expected to be dis-
23 charged or transferred to a hospital within
24 72 hours of admission to the facility; or

1 “(ii) consisting of surgery or any
2 other service requiring the use of general
3 anesthesia (other than surgical procedures
4 specified by the Secretary under section
5 1833(i)(1)(A)), unless the attending physi-
6 cian certifies that the risk associated with
7 transferring the patient to a hospital for
8 such services outweighs the benefits of
9 transferring the patient to a hospital for
10 such services.”.

11 (2) LIMITATION ON AVERAGE LENGTH OF
12 STAY.—Section 1820(f) (42 U.S.C. 1395i–4(f)) is
13 amended by adding at the end the following new
14 paragraph:

15 “(4) LIMITATION ON AVERAGE LENGTH OF IN-
16 PATIENT STAYS.—The Secretary may terminate a
17 designation of a rural primary care hospital under
18 paragraph (1) if the Secretary finds that the average
19 length of stay for inpatients at the facility during
20 the previous year in which the designation was in ef-
21 fect exceeded 72 hours. In determining the compli-
22 ance of a facility with the requirement of the pre-
23 vious sentence, there shall not be taken into account
24 periods of stay of inpatients in excess of 72 hours
25 to the extent such periods exceed 72 hours because

1 transfer to a hospital is precluded because of inclem-
2 ent weather or other emergency conditions.”.

3 (3) CONFORMING AMENDMENT.—Section
4 1814(a)(8) (42 U.S.C. 1395f(a)(8)) is amended by
5 striking “such services” and all that follows and in-
6 serting “the individual may reasonably be expected
7 to be discharged or transferred to a hospital within
8 72 hours after admission to the rural primary care
9 hospital.”.

10 (4) GAO REPORTS.—Not later than 2 years
11 after the date of the enactment of this Act, the
12 Comptroller General shall submit reports to Con-
13 gress on—

14 (A) the application of the requirements
15 under section 1820(f) of the Social Security Act
16 (as amended by this subsection) that rural pri-
17 mary care hospitals provide inpatient care only
18 to those individuals whose attending physicians
19 certify may reasonably be expected to be dis-
20 charged within 72 hours after admission and
21 maintain an average length of inpatient stay
22 during a year that does not exceed 72 hours;
23 and

24 (B) the extent to which such requirements
25 have resulted in such hospitals providing inpa-

1 tient care beyond their capabilities or have lim-
2 ited the ability of such hospitals to provide
3 needed services.

4 (c) DESIGNATION OF HOSPITALS.—

5 (1) PERMITTING DESIGNATION OF HOSPITALS
6 LOCATED IN URBAN AREAS.—

7 (A) IN GENERAL.—Section 1820 (42
8 U.S.C. 1395i-4) is amended—

9 (i) by striking paragraph (1) of sub-
10 section (e) and redesignating paragraphs
11 (2) through (6) as paragraphs (1) through
12 (5); and

13 (ii) in subsection (e)(1)(A) (as redes-
14 ignated by subparagraph (A))—

15 (I) by striking “is located” and
16 inserting “except in the case of a hos-
17 pital located in an urban area, is lo-
18 cated”,

19 (II) by striking “, (ii)” and in-
20 serting “or (ii)”,

21 (III) by striking “or (iii)” and all
22 that follows through “section,”, and

23 (IV) in subsection (i)(1)(B), by
24 striking “paragraph (3)” and insert-
25 ing “paragraph (2)”.

1 (B) NO CHANGE IN MEDICARE PROSPEC-
2 TIVE PAYMENT.—Section 1886(d)(5)(D) (42
3 U.S.C. 1395ww(d)(5)(D)) is amended—

4 (i) in clause (iii)(III), by inserting “lo-
5 cated in a rural area and” after “that is”,
6 and

7 (ii) in clause (v), by inserting “located
8 in a rural area and” after “in the case of
9 a hospital”.

10 (2) PERMITTING HOSPITALS LOCATED IN AD-
11 JOINING STATES TO PARTICIPATE IN STATE PRO-
12 GRAM.—

13 (A) IN GENERAL.—Section 1820 (42
14 U.S.C. 1395i-4) is amended—

15 (i) by redesignating subsection (k) as
16 subsection (l); and

17 (ii) by inserting after subsection (j)
18 the following new subsection:

19 “(k) ELIGIBILITY OF HOSPITALS NOT LOCATED IN
20 PARTICIPATING STATES.—Notwithstanding any other
21 provision of this section—

22 “(1) for purposes of including a hospital or fa-
23 cility as a member institution of a rural health net-
24 work, a State may designate a hospital or facility
25 that is not located in the State as an essential access

1 community hospital or a rural primary care hospital
2 if the hospital or facility is located in an adjoining
3 State and is otherwise eligible for designation as
4 such a hospital;

5 “(2) the Secretary may designate a hospital or
6 facility that is not located in a State receiving a
7 grant under subsection (a)(1) as an essential access
8 community hospital or a rural primary care hospital
9 if the hospital or facility is a member institution of
10 a rural health network of a State receiving a grant
11 under such subsection; and

12 “(3) a hospital or facility designated pursuant
13 to this subsection shall be eligible to receive a grant
14 under subsection (a)(2).”.

15 (B) CONFORMING AMENDMENTS.—(i) Sec-
16 tion 1820(c)(1) (42 U.S.C. 1395i-4(c)(1)) is
17 amended by striking “paragraph (3)” and in-
18 serting “paragraph (3) or subsection (k)”.

19 (ii) Paragraphs (1)(A) and (2)(A) of sec-
20 tion 1820(i) (42 U.S.C. 1395i-4(i)) are each
21 amended—

22 (I) in clause (i), by striking “(a)(1)”
23 and inserting “(a)(1) (except as provided
24 in subsection (k))”, and

1 (II) in clause (ii), by striking “sub-
2 paragraph (B)” and inserting “subpara-
3 graph (B) or subsection (k)”.

4 (d) SKILLED NURSING SERVICES IN RURAL PRIMARY
5 CARE HOSPITALS.—Section 1820(f)(3) (42 U.S.C. 1395i-
6 4(f)(3)) is amended by striking “because the facility” and
7 all that follows and inserting the following: “because, at
8 the time the facility applies to the State for designation
9 as a rural primary care hospital, there is in effect an
10 agreement between the facility and the Secretary under
11 section 1883 under which the facility’s inpatient hospital
12 facilities are used for the furnishing of extended care serv-
13 ices, except that the number of beds used for the furnish-
14 ing of such services may not exceed the total number of
15 licensed inpatient beds at the time the facility applies to
16 the State for such designation (minus the number of inpa-
17 tient beds used for providing inpatient care pursuant to
18 paragraph (1)(F)). For purposes of the previous sentence,
19 the number of beds of the facility used for the furnishing
20 of extended care services shall not include any beds of a
21 unit of the facility that is licensed as a distinct-part skilled
22 nursing facility at the time the facility applies to the State
23 for designation as a rural primary care hospital.”.

24 (e) PAYMENT FOR OUTPATIENT RURAL PRIMARY
25 CARE HOSPITAL SERVICES.—Section 1834(g)(1) (42

1 U.S.C. 1395m(g)(1)) is amended by adding at the end the
2 following:

3 “The amount of payment shall be determined under
4 either method without regard to the amount of the
5 customary or other charge.”.

6 (f) CLARIFICATION OF PHYSICIAN STAFFING RE-
7 QUIREMENT FOR RURAL PRIMARY CARE HOSPITALS.—
8 Section 1820(f)(1)(H) (42 U.S.C. 1395i-4(f)(1)(H)) is
9 amended by striking the period and inserting the follow-
10 ing: “, except that in determining whether a facility meets
11 the requirements of this subparagraph, subparagraphs (E)
12 and (F) of that paragraph shall be applied as if any ref-
13 erence to a ‘physician’ is a reference to a physician as de-
14 fined in section 1861(r)(1).”.

15 (g) TECHNICAL AMENDMENTS RELATING TO PART
16 A DEDUCTIBLE, COINSURANCE, AND SPELL OF ILL-
17 NESS.—(1) Section 1812(a)(1) (42 U.S.C. 1395d(a)(1))
18 is amended—

19 (A) by striking “inpatient hospital services” the
20 first place it appears and inserting “inpatient hos-
21 pital services or inpatient rural primary care hos-
22 pital services”;

23 (B) by striking “inpatient hospital services” the
24 second place it appears and inserting “such serv-
25 ices”; and

1 (C) by striking “and inpatient rural primary
2 care hospital services”.

3 (2) Sections 1813(a) and 1813(b)(3)(A) (42 U.S.C.
4 1395e(a), 1395e(b)(3)(A)) are each amended by striking
5 “inpatient hospital services” each place it appears and in-
6 serting “inpatient hospital services or inpatient rural pri-
7 mary care hospital services”.

8 (3) Section 1813(b)(3)(B) (42 U.S.C.
9 1395e(b)(3)(B)) is amended by striking “inpatient hos-
10 pital services” and inserting “inpatient hospital services,
11 inpatient rural primary care hospital services”.

12 (4) Section 1861(a) (42 U.S.C. 1395x(a)) is amend-
13 ed—

14 (A) in paragraphs (1), by striking “inpatient
15 hospital services” and inserting “inpatient hospital
16 services, inpatient rural primary care hospital serv-
17 ices”; and

18 (B) in paragraph (2), by striking “hospital”
19 and inserting “hospital or rural primary care hos-
20 pital”.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—Section
22 1820(k) (42 U.S.C. 1395i–4(k)) is amended by striking
23 “1990, 1991, and 1992” and inserting “1990 through
24 1995”.

1 (i) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **SEC. 3. REAUTHORIZATION OF RURAL TRANSITION GRANT**
5 **PROGRAM.**

6 Section 4005(e)(9) of the Omnibus Budget Reconcili-
7 ation Act of 1987 is amended—

8 (1) by striking “1989 and” and inserting
9 “1989,”; and

10 (2) by striking “1992” and inserting “1992
11 and \$30,000,000 for each of fiscal years 1993
12 through 1997”.

13 **SEC. 4. REGIONAL REFERRAL CENTERS.**

14 (a) EXTENSION THROUGH FISCAL YEAR 1994.—Sec-
15 tion 6003(d) of the Omnibus Budget Reconciliation Act
16 of 1989 (42 U.S.C. 1395ww note) is amended by striking
17 “October 1, 1992” and inserting “October 1, 1994”.

18 (b) PERMITTING HOSPITALS TO DECLINE RECLASSI-
19 FICATION.—If any hospital fails to qualify as a rural refer-
20 ral center under section 1886(d)(5)(C) of the Social Secu-
21 rity Act as a result of a decision by the Medicare Geo-
22 graphic Classification Review Board under section
23 1886(d)(10) of such Act to reclassify the hospital as being
24 located in an urban area for fiscal year 1994, the Sec-
25 retary of Health and Human Services shall—

1 (1) notify such hospital of such failure to qual-
2 ify,

3 (2) provide an opportunity for such hospital to
4 decline such reclassification, and

5 (3) if the hospital declines such reclassification,
6 administer the Social Security Act (other than sec-
7 tion 1886(d)(8)(D)) for fiscal year 1994 as if the
8 decision by the Review Board had not occurred.

9 **SEC. 5. MEDICARE-DEPENDENT, SMALL RURAL HOSPITALS.**

10 (a) IN GENERAL.—Section 1886(d)(5)(G) (42 U.S.C.
11 1395ww(d)(5)(G)) is amended—

12 (1) by amending clause (i) to read as follows:

13 “(i) In the case of a subsection (d) hospital which
14 is a medicare-dependent, small rural hospital, payment
15 under paragraph (1)(A) for discharges occurring before
16 October 1, 1994, shall be equal to the sum of the amount
17 determined under clause (ii) and the amount determined
18 under paragraph (1)(A)(iii).”;

19 (2) by redesignating clauses (ii) and (iii) as
20 clauses (iii) and (iv); and

21 (3) by inserting after clause (i) the following
22 new clause:

23 “(ii) The amount determined under this clause is—

24 “(I) for discharges occurring during the first 3
25 12-month cost reporting periods that begin on or

1 after April 1, 1990, the amount by which the hos-
2 pital's target amount for the cost reporting period
3 (as defined in subsection (b)(3)(D)) exceeds the
4 amount determined under paragraph (1)(A)(iii); and
5 “(II) for discharges occurring during any subse-
6 quent cost reporting period (or portion thereof), 50
7 percent of the amount by which the hospital's target
8 amount for the cost reporting period (as defined in
9 subsection (b)(3)(D)) exceeds the amount deter-
10 mined under paragraph (1)(A)(iii).”.

11 (b) PERMITTING HOSPITALS TO DECLINE RECLASSI-
12 FICATION.—If any hospital fails to qualify as a medicare-
13 dependent, small rural hospital under section
14 1886(d)(5)(G)(i) of the Social Security Act as a result of
15 a decision by the Medicare Geographic Classification Re-
16 view Board under section 1886(d)(10) of such Act to re-
17 classify the hospital as being located in an urban area for
18 fiscal year 1994, the Secretary of Health and Human
19 Services shall—

20 (1) notify such hospital of such failure to qual-
21 ify,

22 (2) provide an opportunity for such hospital to
23 decline such reclassification, and

24 (3) if the hospital declines such reclassification,
25 administer the Social Security Act (other than sec-

- 1 tion 1886(d)(8)(D)) for fiscal year 1994 as if the
- 2 decision by the Review Board had not occurred.

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